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18 UNITED STATES OF AMERICA

19 UNITED STATES DISTRICT COURT
20 FOR THE CENTRAL DISTRICT OF CALIFORNIA
21 WESTERN DIVISION

22 UNITED STATES OF AMERICA
23 Plaintiff,
24 v.
25 VIRTUAL CURRENCY AND
26 \$2,061,517.68 IN U.S. CURRENCY,
27 Defendants.

Case No. 2:25-cv-04631-SB-MAR

**EX PARTE APPLICATION FOR
ORDER APPOINTING FEDERAL
BUREAU OF INVESTIGATION AS
SUBSTITUTE CUSTODIAN FOR
DEFENDANT VIRTUAL
CURRENCY IN PLACE OF THE
U.S. MARSHALS SERVICE;
MEMORANDUM OF POINTS AND
AUTHORITIES**

Pursuant to Supplemental Rule E(4)(b) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions and Local Rule E.14(a) of the Rules for Admiralty and Maritime Claims, plaintiff United States of America hereby respectfully applies for an order appointing the Federal Bureau of Investigation as the substitute custodian for the defendant Virtual Currency in place of the United States Marshals Service. This application is based on the attached Memorandum of Points and Authorities and the pleadings and file in this case.

DATED: August 14, 2025

Respectfully submitted,

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/s/ James E. Dochterman

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UNITED STATES OF AMERICA

MEMORANDUM OF POINTS AND AUTHORITIES

Plaintiff United States of America (“plaintiff” or the “government”) seeks an order appointing the Federal Bureau of Investigation (“FBI”) as the substitute custodian of the defendant Virtual Currency in place of the United States Marshals Service (“USMS”).

Local Rule E.14(a) of the Rules for Admiralty and Maritime Claims provides, in pertinent part,

When . . . property is brought into the Marshal's custody by arrest or attachment, the Marshal shall arrange for adequate safekeeping

A substitute custodian in place of the Marshal may be appointed by order of the Court.^[1]

(Emphasis added.) Likewise, Supplemental Rule E(4)(b) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions states, in relevant part:

If tangible property is to be attached or arrested, the marshal *or other person or organization having the warrant* shall take it into the marshal's possession for safe custody. If the character or situation of the property is such that the taking of actual possession is impracticable, the marshal *or other person executing the process* shall affix a copy thereof to the property in a conspicuous place and leave a copy of the complaint and process with the person having possession or the person's agent.

(Emphasis added.)

¹ “A substitute custodian is held to the same standard of care as the USMS, which is essentially a reasonable standard of care.” *See Scotiabank de Puerto Rico v. M/V Atuti*, 326 F.Supp.2d 282, 284 (D. Puerto Rico 2004).

1 In forfeiture actions, the arrest warrant may be delivered to, and process may be
2 executed by, “any officer or employee of the United States.” Supplemental Rules
3 B(1)(d)(ii)(D) and C(3)(b)(ii)(D).

4 The Asset Forfeiture Policy Manual (2006), Ch. 5, Sec. I(A) and (B)
5 (footnotes omitted), provides.

6 The USMS has primary authority over the management and
7 disposal of seized assets in its custody that are subject to forfeiture or
8 are forfeited under laws enforced by agencies within the Department
9 of Justice as well as certain other federal agencies by agreement.

10 Arrangements for property services or commitments pertaining to the
11 management and disposition of such property are the responsibility of
12 the USMS.

13 . . .

14 Management and disposal of assets seized by agencies within the
15 Department of Treasury and other agencies included by agreement
16 (including certain agencies moved from Treasury to the Department
17 of Homeland Security) are handled by property custodians (generally
18 contractors) operating under Treasury guidelines.

19 Here, the seizing and investigating agency is the FBI and is the custodian of
20 the defendant Virtual Currency. Accordingly, the USMS is not the custodian of
21 the defendant Virtual Currency.

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1 For these reasons, the government respectfully requests that the Court
2 appoint the FBI as the substitute custodian in place of the USMS for the defendant
3 Virtual Currency.

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5 DATED: August 14, 2025

Respectfully submitted,

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